



**TOWN OF NORTH HAMPTON, NEW HAMPSHIRE
MUNICIPAL BUDGET COMMITTEE MEETING**

NOVEMBER 29, 2021 6:00 PM

NORTH HAMPTON TOWN HALL

DRAFT MINUTES

MEMBERS PRESENT: Chairman Rick Stanton, Vice-Chairman Brian Goode, Sean Dionne, Andrew Raucci, Charles Gallant, Select Board Rep James Sununu, School Board Rep Tom Von Jess

VIA ZOOM: George Chauncey, Frank Ferraro

ALSO PRESENT: Town Administrator Michael Tully, School Business Administrator Matt Ferreira

AGENDA

Chairman Rick Stanton welcomed everyone to the November 29, 2021 North Hampton Municipal Budget Committee Meeting and called the meeting to order at 6:00 pm, followed by the Pledge of Allegiance.

Motion: Vice-Chair Goode made a motion to allow George Chauncey and Frank Ferraro to participate in the meeting; seconded by Chairman Stanton; approved by a vote of 7-0.

OLD BUSINESS

Approval of the Minutes of November 1, 2021

(Tabled from 11/15/2021 meeting)

Motion: Mr. Raucci made a motion to approve the Budget Committee Meeting Minutes of November 1, 2021; seconded by Selectman Sununu.

Roll-Call Vote: Chuck Gallant-aye, Tom von Jess-abstain, Sean Dionne-aye, Andrew Raucci-aye, Rick Stanton-aye, Brian Goode-aye, James Sununu-aye, Frank Ferraro-aye, George Chauncey-aye
Motion approved by a vote of 8-0, with 1 abstention.

Approval of the Minutes of November 15, 2021

Motion: Selectman Sununu made a motion to approve the Budget Committee Meeting Minutes of November 15, 2021 as presented; seconded by Mr. Raucci.

November 29, 2021

Roll-Call Vote: Chuck Gallant-aye, Tom von Jess-aye, Sean Dionne-aye, Andrew Raucci-aye, Rick Stanton-aye, Brian Goode-aye, James Sununu-aye, Frank Ferraro-aye, George Chauncey-aye

Motion approved by a vote of 9-0

Chairman Stanton verified that January 18, 2022 will be the date of the Bond and Public Hearing for the Budget.

NEW BUSINESS

First Review of the North Hampton School Proposed FY2023 Budget

Chairman Stanton asked that questions be held until after the completion of the presentation.

School Business Administrator Matt Ferreira said the School Budget proposed aligns with the School improvement plan and meets the objectives of long-term development of high-quality curriculum across all grade levels and supports student needs in collaboration with teachers; personnel is 85% of the School Budget. Budget Priorities include maintaining staffing patterns, increasing capacity for Special Education dictated by IEP and student needs, and incorporating long-term technology needs into budget.

Mr. Ferreira said this is year two (of 2) of Smartboard replacements, the School plans to maintain current foreign language staffing levels and address areas of learning loss due to the pandemic. Current enrollment is 301 students, projecting 310 for next year. Mr. von Jess added that some students who left due to COVID may be returning next year, and Selectman Sununu asked if there had been an effort to reach out to those families. Chairman Stanton asked about class size and making sure staff has the flexibility with enrollment; Mr. von Jess said they are doing an evaluation of what the correct class size is and the ratio to teachers.

Mr. Ferreira said the North Hampton School is proposing a total Operating Budget of \$9,757,836 which reflects a 4.96% increase or \$460,675 over prior year, and an increase of 1.86% or \$178,968 more than the Default Budget of \$9,578,869.

Mr. Ferreira reviewed Budget drivers: School is proposing 2 reductions in fulltime classroom teachers and a reduction of 3 fulltime Education Associates in different areas; increasing Special Education expenditures, including budgeted addition of intensive needs specialist hired this year; seeing a significant increase in out-of-district placements and Special Education Transportation of \$395,448 (of total \$460,675 budgeted); under-budgeting Health Insurance Account with provision to use Health Care Expendable Trust if needed.

Mr. Ferreira said the Budget includes a COLA adjustment for 3 employee classifications: Union with CBA for teachers approved by Warrant for a 4-year term and COLA set at 2.5% for next year, Non-Union COLA set at 4.30%, and SESP at 1.00%.

Budget in Detail:

Regular Education \$2,260,212, decrease of \$122,391 or 4.74% owing to reductions in classroom teachers and one (1) EA (Education Assistant); benefits reduction seen under Benefits. Special Education \$1,798,513, increase of \$280,720 or 18.5%, primarily due to District Placement Tuition as well as increase of a specialist BCBA (Board Certified Behavior Analyst) hired this year.

Chairman Stanton asked about the Special Education Expendable Trust which should be a shock-absorber for significant increases in Special Education. Mr. von Jess said this fund is historically used to absorb unknowns, but in this case the student needs already exist and the cost known is in the Budget as an existing need. Mr. Ferraro said they are also asking for another \$35,000 for the Special Education Trust to bring it up to target. Selectman Sununu said the fund is used for unexpected costs and a special needs student coming in can cost upwards of \$300,000-\$400,000.

Mr. Ferreira explained that the School Board proposes an amount to expend toward the Special Education Expendable Trust Fund, which currently has a balance of \$363,000, and they are proposing to fund to the targeted amount of \$400,000; School Board has discretion to expend with Public Hearing. He said he would check the wording of the Warrant but is hesitant to underfund Special Education. Mr. von Jess said out-of-district placement costs are going up and it is the School's obligation to invest in these students.

Mr. Ferreira moved on to Student Activities with a budget of \$137,195, an increase of \$10,814 or 8.56% for the ROPES Program; Guidance \$90,103 with increase of \$2,412 or 2.75% (COLA adjusted); Health Budget \$78,210 with increase of \$2,554 or 3.38% (COLA plus steps) for nurse substitutes; Speech Services Budget \$124,877 with increase of \$16,613 or 15.34% for speech language assistant (partially grant funded); Improvement of Instruction \$149,201 with increase of \$1,773 or 1.2%; Educational Media Budget \$132,759 with increase of \$1,540 or 1.17%; Technology Budget \$316,006 with increase of \$7,577 or 2.46% which aligns with technology plans, and also a transition to fiber network from Comcast.

Board of Education \$42,187 with decrease of \$200 or -0.04%; SAU Services \$287,542 with increase of \$3,746 or 1.32% for SAU central office and office of Superintendent; School Administration \$301,101 with increase of \$21,196 or 7.57% due to staffing changes; Buildings \$557,299 with increase of \$55,501 or 11.06% due to greenhouse roof panel replacement, materials to construct a workspace in garage for chemicals storage per Fire Department, and purchase of a tractor. Chairman Stanton asked if the Building Maintenance Expendable Trust could be used for repair the greenhouse roof, and Mr. Ferreira said they are anticipating a withdrawal from that trust of \$40,000 for glycol replacement in heating system.

Mr. Ferreira said the Long-Term Maintenance Warrant Article includes a proposal for an outdoor classroom pavilion; the used tractor is being purchased from the Town for \$10,000 and is in a Warrant Article. Mr. Ferraro said they would be shuffling the cost from one to another but charging taxpayers \$10,000 and suggested the Town simply give the tractor to the School. Mr. Ferreira said he would discuss the issue with the Town and said also under buildings the School is expecting an increase in natural gas costs of 25-30%.

Grounds \$45,340 with increase of \$8,690 or 23.71% reflecting 5-year replacement/refurbishment of ball fields which was deferred one year; Vehicles \$13,270, no increase; Transportation \$611,829 with increase of \$129,124 or 26.75% primarily due to Special Education Transportation; Debt Service \$135,299 with decrease of \$1,554 or -1.14% for principal and interest on bond issue; Employee Benefits \$2,203,499 with decrease of \$25,208 or -1.13% due to employee reductions and underfunding health insurance; Interfund Transfer \$30,000 (transfer from General Fund into Food Service) with increase of \$10,000 or 50% based on actual expenditures history; Food Service \$193,364 with increase of \$7,768 or 4.19% based on increased costs and staff salary adjustments; Default Budget is \$9,578,869, \$178,968 less than Proposed Operating Budget.

Warrant Articles:

Mr. Ferreira said the School is proposing a Warrant Article to fund the Special Education Trust in amount of \$35,000 using unreserved fund balance, bringing all expendable trusts to target levels. Expendable Trust balances: Special Education Trust \$362,991, target \$400,000; Building Maintenance Trust \$169,635 (plan to withdraw \$40,000), target \$150,000; Healthcare Trust \$198,572, target \$200,000; Technology Trust \$15,607, with plan to spend down remaining funds in Technology and close out the Trust. Chairman Stanton asked that the slide be updated to include all information just provided about the trusts.

Vice-Chair Goode asked why the Technology Fund was not being spent down this year and what it will be spent on. Mr. Ferreira said they are planning to invest in audiovisual for student presentations and address deficiencies in wireless networks and will also be proposing a Long-Term Maintenance Warrant of \$70,000 for building maintenance and repairs, as well as a non-monetary Fund Balance Retention Warrant Article to safeguard the School (Legislation was updated allowing schools to retain up to 5% in Fund Balance).

Questions: Mr. Ferraro asked if the SAU had started a new study on projecting populations. Mr. Ferreira said they got a projection from NESDEC anticipating next year enrollment, with students we know included in the Budget. Mr. Ferraro said the student population K-8 in current year is 288 students enrolled, projecting next year 295 students, and asked the basis for this increase and the number of teachers. Mr. Ferreira said it is based on outreach to families and there are 21 teachers; they budgeted expecting a higher enrollment and this year's class sizes are under the School Board Policy.

Mr. Ferraro pointed out that there are confusing numbers throughout the documents and Mr. Ferreira said the Power Point is accurate and he will add some language to clarify the 3 EA positions: one EA was 1-to-1 in the school and moved to out-of-district placement at the last minute. Mr. Ferraro summarized: reduction of 2 teachers, reduction of 1 EA, reduction of 2 Special Ed EAs, and addition of 1 Special Ed Specialist; plus fulltime Curriculum Coordinator. He asked if the Curriculum Coordinator could be shared across SAU; Mr. Ferreira said this position is specific to North Hampton. Mr. von Jess said when they hired for that position, they eliminated 2 specialists in reading and math.

Mr. Ferraro asked the difference between a Technology Staff and an Information Technologist under Technology. Mr. Ferreira said Technology Staff is a certified staff position that trains other teachers on how to utilize and integrate technology into curriculum, and an Information Technologist is like a systems administrator for technology support. Mr. von Jess said the staff person also teaches technology in the Tech Lab.

Mr. Ferraro questioned Information Access Fees asking why Comcast is still in the budget if the School is switching to Consolidated for fiber optics. Mr. Ferreira said it is needed for the phone system. Selectman Sununu said the Town just received a grant to upgrade phone systems and there may be grant funds available for the School. Mr. Ferraro cited difference listings for the Building Maintenance Fund balance and Mr. Ferreira said one was the June 30 balance, one was the July 1st balance, and there is \$142,748 currently in the fund; there was a withdrawal for Homeland Security upgrades of \$27,000 this past year.

Selectman Sununu asked if C Health Plans are hard and fast for the life of the agreements or if they can be adjusted; Town Administrator Tully said they are specified in the contract. Selectman Sununu said for buyouts, they should look at a scale where the amount of the buyout increases the more people who take it on; very cost-effective in the end.

Mr. Dionne said there was a huge increase on page 3 of the Budget for the transportation line for special needs; the average was \$48,000 and is now at \$131,000. Mr. Ferreira said it was not for a student but the cost for the School to use Durham School Services; difference between companies is small; they try to share routes if possible, but the cost is fixed. Selectman Sununu asked if First Student is able to meet the level of service the contract calls for with the shortage of drivers. Mr. Ferreira said they are providing the service necessary, but they are combining routes and having delays.

Vice-Chair Goode asked about the number of basketball teams under Salary-Coaches & Advisers; Mr. von Jess said they are 2 different grades; Mr. Ferreira said this is in the CBA and the account was underbudgeted by \$5,000. Vice-Chair Goode asked about the 2 positions listed under Student Government and paying \$200 for people to go on overnight trips. Mr. Ferreira said it is common across school districts to provide stipends for teachers to chaperone trips. Vice-Chair Goode questioned the purchase of a tractor for \$10,000; Mr. Ferreira said we plow up to 8 inches to clear entryways and it will additionally be used for field maintenance.

Town Administrator Tully said the Town has 5 more years on their tractor and use by the School would be substantially different and they would save money. He said he already noted Mr. Ferraro's comments earlier and will meet with Matt to discuss the issue.

Vice-Chair Goode asked about the cellphone allowance of \$100/month on page 105; Mr. Ferreira that is their standard cellphone allowance for employees and they prefer this method of using a stipend for 3 cellphones for administrators.

ANY OTHER ITEM THAT MAY LEGALLY COME BEFORE THE COMMITTEE

PERIOD OF PUBLIC COMMENT

Next Budget Committee Meeting: November 15, 2021

ADJOURNMENT

Selectman Sununu made a motion to adjourn the meeting which was seconded by Mr. Raucci. Chairman Stanton adjourned the Municipal Budget Committee Meeting at 8:28 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary